

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of June 14, 2011

ITEM #

ITEM TITLE: Voluntary Early Retirement Incentive Program Approval

SPECIFIC BOARD ACTION REQUESTED:

District administration requests Board adoption of the Voluntary Early Retirement/Resignation Incentive Program as proposed in the one year contract extension of the SEIU Local 1021 bargaining agreement at the Board meeting in regular session on May 24, 2011.

ITEM SUMMARY: (PLEASE DISCUSS THIS ITEM)

The Board approved the District administered Voluntary Early Retirement/Resignation Incentive Program for the 2010-2011 fiscal year. The goal of the Program is to accomplish salary savings for the District. Eligible employees from SEIU Local 1021 elected to participate in the Program.

The window period for participation in the Program opened on Wednesday, May 25, 2011 and closed on Thursday, June 9, 2011. The District's target goal for participation was for 15 employees for a projected salary savings of \$775,000. The District achieved and exceeded its goal in that 19 SEIU Local 1021 employees elected to participate in the Program at an anticipated salary savings of \$906,434 for the 2011-2012 year. The anticipated salary savings does not include the administrative cost to the District in the amount of \$122,100 to offer the Early Retirement Incentive. An additional cost will include payment to employees for eligible leave balances such as vacation and compensatory leave.

Upon the initial approval of the Board to extend the offer of an early retirement/resignation incentive, the District now requests Board adoption of the program based on reaching its cost savings objectives and sustaining staffing requirements per the California Education Code. Eligible employees will be notified of the Board's decision by June 16, 2011.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

The cost of the incentive is \$122,000 and will be paid from General Funds. Not included in this analysis are payouts of eligible employee leave balances and other administrative costs to the District.

BACKGROUND/ANALYSIS:

- The District projected 15 participants at a savings of \$775,000
- The District received 19 participants at a potential savings of \$906,434.
- The 19 participants have lifetime medical benefits under Other Post Employment Benefits (OPEB)

ALTERNATIVES/OPTIONS:

Although the Board reserves the right to rescind the offer, due to the projected salary savings, the District recommends final adoption of the Early Retirement Incentive Program

EVALUATION AND RECOMMENDED ACTION:

The Chancellor recommends Board adoption of the Program

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES XXX No _____

- **Payroll: process the incentive payments**
- **Benefits: provide transitional benefits counseling**

COMMENTS:

NONE

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (COLLEGE PRESIDENT OR VICE CHANCELLOR)

- **TRUDY LARGENT, VICE CHANCELLOR OF HUMAN RESOURCES & EMPLOYEE RELATIONS**

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES _____ NO X
_____ IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

(***Board contract approval is subject to negotiation and execution by the Chancellor.)**

DOCUMENT PREPARED BY:

Prepared by: **Jennifer Benford Seibert, Benefits Coordinator**

Date: 6/9/11

Jennifer Benford Seibert

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by:

Trudy Largent, Vice Chancellor of Human Resources & Employee Relations

Date:

Largent

6/9/11

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: _____

[Signature]
Ron Gerhard, Vice Chancellor for Finance & Administration

Date: _____

6/8/11

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____

Thuy T. Nguyen, General Counsel

Date: _____

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda
Agenda

Not Approved, but Place on

Signature: _____

Wise E. Allen, Chancellor

Date: _____